Top Issues and Trends in the Tourism Industry

The last few years have highlighted several new developments within the tourism industry. The following is a short list of the key issues and trends that will affect strategy development, business and marketing plans and tourism planning in the years ahead.

1. Memories & Experiences

Rising Expectations

Leisure Mindset

Diversification

Today's travelers seek new and unique experiences. Increasing pressures on work and home life have created an environment that is starved for leisure activity. Travelers continue to shorten their leisure trips. Many never completely leave the home or office, remaining "wired" via cell phones, pagers, email, laptops and PDA devices. Consequently, travelers look to make the most of their limited leisure opportunities. Destinations and attractions must be fresh, innovative, exciting, creative, cost conscious and offer value-added products. Traditional travel segments (adventure travel, nature tourism, cultural and heritage tourism and family travel) remain popular. In addition, many non-traditional activities (birding, mountain biking, cruises, festivals, special events, etc.) are increasingly popular as travelers seek out the quintessential memory that will define their vacation experience. Customers rather than suppliers increasingly determine product offerings and build customized itineraries based on specific tastes and preferences.

2. Technology

The Internet

Empowered Consumers

Consolidation & Alliances

The Internet has revolutionized the travel industry. Technology has empowered the consumer with information and is the driving force behind personalization and customization. The reduced barriers of the Internet have effectively leveled the level playing field among competing destinations, especially among smaller establishments. Travel research via the Internet is rapidly becoming the premier source of travel information influencing decision-making. Online bookings and reservations are also growing each year. The changes brought about by technology underscore other changes within the travel and tourism distribution system. Airlines, travel agencies and other travel professionals continue to consolidate and form alliances with the mindset that bigger is better. However, smaller niche competitors can also thrive based on their ability to be flexible and adaptive to the needs of a specific target audience.

3. Changing Face of Tourists

Mature Travelers

Minority Groups

International Travelers

As the baby-boomers grow older and move towards retirement, large amounts of both time and money will become available for the pursuit of leisure activities. The combination of time, money and desire means that this group may look to fulfill years of pent up demand for dream vacations. Nevertheless, travel will compete with other lifestyle choices for entertainment. Minority groups (including African-Americans, Asian Americans and Hispanics) are among the fastest growing population groups in the U.S. and will represent an increasing percentage of all travelers. The combination of easier access to information and economic growth will open markets in Latin America, Asia and Eastern Europe. Combined with existing markets in Western Europe and Canada, international tourism presents the highest growth potential of any group. On the industry side, deregulation, new aircraft and the emergence of regional carriers has increased competition and opened up new routes. Many of the new routes to the U.S. focus on more complete service to the west (Las Vegas, Phoenix, Denver, San Diego and Salt Lake City).